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FISCAL IMPACT REPORT

SPONSOR Heaton DATE TYPED 1/27/04 HB 74

SHORT TITLE Enterprise Facilitation Grants Program SB _____

ANALYST Gilbert

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	\$300.0			Recurring	General Fund
			\$300.0	Recurring	Municipal Funds

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
 Economic Development Department (EDD)
 Attorney General's Office (AGO)

SUMMARY

Synopsis of Bill

House Bill 74 appropriates \$300 thousand from the general fund to the Economic Development Department (EDD) for a competitive grants program in three communities to demonstrate the efficacy of enterprise facilitation.

Significant Issues

Grants made per the provisions of this bill require a fifty percent match from the recipient communities. This program is intended to provide jobs in communities with populations under 50,000.

FISCAL IMPLICATIONS

The appropriation of \$300.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2005 shall revert to the general fund.

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The appropriation in HB 74 is contingent upon a fifty percent match by each recipient community.

ADMINISTRATIVE IMPLICATIONS

According to the Economic Development Department, this bill may require significant staff time to process the RFP and administer the Enterprise Facilitation program.

TECHNICAL ISSUES

According to the Attorney General's Office, if the term "communities" is defined to include nonprofits or other private entities, this bill could violate the anti-donation clause of the New Mexico Constitution (Art. IX, § 14).

RLG/dm